



Learningtech.org®

The Miller Institute for Learning with Technology

February 17, 2017

Letter of Appeal
Schools and Libraries Program Correspondence Unit
30 Lanidex Plaza West, PO Box 685
Parsippany, NJ 07054-0685
Email: appeals@sl.universalservice.org

Reply-To: erate.cgd@learningtech.org

**Appeal of FRN reduction and denials, FY2016 App #161047510, FRNs
1699118809, 1699118960, 1699122533, 1699122167**

Dear SLD Correspondence Unit,

This letter constitutes a formal Appeal of USAC's funding commitment decision for Form 471 application #161047510, Funding Year 2016, for Celerity Education Group [CEG] BEN 17006823.

1. Contact information including name, address, telephone number, and email address of the person who can discuss the appeal with USAC in detail:

| | |
|---|--|
| Billed Entity Name (Applicant) | CELERTY EDUCATIONAL GROUP |
| Billed Entity Number | 17006823 |
| Address | 2069 W SLAUSON AVE Los Angeles, CA 90047 |
| Billed Entity FCC RN | 0016369241 |
| Contact (Consultant) | Eileen Miller, VP, E-Rate & Technology Planning The Miller Institute for Learning with Technology CRN: 16043681 Tel: 650-598-0105 x252 Fax: 866-801-8667 |
| Email Address (Preferred Form of Contact) | erate.cgd@learningtech.org |
| Title of Document Being Appealed | Funding Commitment Decision Letter |
| Relevant Funding Year | FY2016 |
| Date of Document Being Appealed | 12/19/2016 |
| Form 471 Application Number | 161047510 |
| Applicant's Form Identifier | CEG471FY1617C1 |
| FRN(s) Affected | 1699118809 (MOBILE) 1699118960 (VOIP) 1699122533 (LOCAL & LD) 1699122167 (INTERNET ACCESS) |

2. Include supporting documentation such as forms and supporting documents; Explain the appeal to USAC in as much detail as possible; Identify a problem and the reason for its appeal

Supporting Documentation

These documents are provided via Dropbox link: [link_for_appeals_reviewer](#)

- **Consultant Letter of Agency**
 - [ceg_loa.pdf](#) provides Consultant Letter of Agency
 - NOTE paragraph 2 states: “This letter of agency authorizes Consultant to interact with the SLD of the USAC, as well as eligible service providers, on behalf of Applicant. It authorizes all necessary and appropriate E-Rate application activities (such as solicitation of bids from prospective service providers) for the Funding Years noted above, *as well as follow-up actions, as needed, for the two Funding Years before those indicated above.*”
- **Entity validation**
 - [celerity_cde_directory.pdf](#) shows the seven schools and one non-instructional facility that make up the CEG district; all other “entities” are actually annexes
 - [fy15closures072116.xls](#) shows Sirius closed 6/30/16
 - [achernar_opened_20160816.pdf](#) shows that Achnar opened 8/16/2016
- **90% discount validation**
 - [frpm1516.xlsx](#) from CDE website (<http://www.cde.ca.gov/ds/sd/sd/files.asp>) shows enrollment and FRL students for 6 of 7 schools (see “LEA-Level CALPADS UPC Data” tab)
 - [achernar_fall1_verification_16_17_final.pdf](#) shows enrollment and FRL students for Achnar
- **Vendor documentation to support requested funding**
 - [ceg_twc_invoice_20160219.pdf](#) and [twc_invoice_calcs_for_appeal.xlsx](#) show the Time Warner documentation supporting \$30,535.85/mo for 10 point-to-point connections and 1 Gbps dedicated Internet Access.
 - [ceg_jive_contract_20160524.pdf](#) Jive Communications, Inc. proposal/contract signed 5/24/16 to support \$5,081.16/mo cost, of which \$7.50 is not eligible
 - [att_pacbell_inv_20160401.pdf](#) and [local_ld_20160401.xlsx](#) provide Pacific Bell Telephone Company (aka AT&T) documentation for \$5,116.94/mo eligible cost. This funding request should be split to separate \$4780.13/mo for local voice service for SPIN 143002665 and \$336.81/mo for long distance service for SPIN 143001192. FRN 1699122533 includes 30 lines.
 - [ceg_2016_t_mobile.pdf](#) T-Mobile USA, Inc. proposal (page 5) shows \$12.75/plan/mo. eligible service. T-Mobile rep Tyler Malmberg provided eligibility percentage in [ceg_2016_t_mobile_eligibility.pdf](#) and [t_mobile_calcs.xlsx](#) shows the FRN’s Total Monthly Eligible Recurring Costs should be adjusted \$2,894.25.

Appeal Explanation

Learningtech.org respectfully requests to appeal the funding reductions and denials for FRNs listed in Section 1 of this appeal. For Funding Year 2016, Celerity Educational Group (CEG) received a number of denials and reductions to requested funding as the result of failing to supply documentation requested by the SLD to validate its discount percentage.

This failure to respond was the result of the sudden, unannounced departure of the sole employee tasked with managing CEG's E-Rate applications, Special Projects Manager, Jorge Villacinda. According to Juan Montalvo, Chief of Staff for Celerity Global Development, CEG has had no communication with him since June 24, 2016. As the single point of contact mandated by EPC, Villacinda was the only person at CEG with access to the EPC system. Consequently, CEG representatives and administrators were unable to access EPC and were unaware of any pending problem applications, PIA notifications, or other requests for documentation. Until recently (1/23/2017), we were unable to access EPC and unable to gain a complete understanding of Mr. Villacinda's actions, or investigate and respond to outstanding SLD requests.

Further, it is believed that Mr. Villacinda may have used a non-company email account to communicate with vendors. Consequently, CEG may have either a partial record, or no record, of some of Mr. Villacinda's communications with vendors and service providers.

Upon understanding the gravity of the situation, and the resulting loss of significant funding, CEG retained Learningtech.org to assist in the investigation and attempt to remediate the situation. In the course of its investigation, Learningtech.org was able to review CEG's funding history of through the FRN Status tool and has determined that there was at least one successful PIA response, as information from the FRN status tool indicates that applicant documentation was provided.

The data from the FRN Status Tool provided below was initially our only insight into the funding reductions and denials. Funding reductions and denials have been highlighted in pink text, and the one successful PIA response has been highlighted in purple text:

- **One Internet FRN (INTERNET ACCESS/Time Warner Cable) worth \$277,020.00 funding was reduced to \$61,560.00 because:**
 - MR1:17008117 - CELERITY OCTAVIA CHARTER SCHOOL - IRVING CAMPUS has been removed from the FCC Form 471 application due to the entity is ineligible to receive funding.;MR2:17008116 - CELERITY TROIKA CHARTER SCHOOL - GARVANZA CAMPUS has been removed from the FCC Form 471 application due to the entity is ineligible to receive funding.;MR3:17008114 - CELERITY ACHERNAR CHARTER SCHOOL has been removed from the FCC Form 471 application due to the entity is ineligible to receive funding.;MR4:The applicant failed to supply documentation to support the requested discount. As a result of this action, the discount of this FCC Form 471 was decreased from 90% to 20%, (minimum discount percentage).

- MR1:The service provider has been modified to Time Warner Cable Business LLC , SPIN number 143048275 due to company deactivation, merger, and/or acquisition.;MR2:The Recipients of Service for FRN was modified from 15 recipients of service to 12 recipients of service to remove BENs 17008114 - CELERITY ACHERNAR CHARTER SCHOOL, 1708116 - CELERITY TROIKA CHARTER SCHOOL - GARVANZA CAMPUS, and 17008117 - CELERITY OCTAVIA CHARTER SCHOOL - IRVING CAMPUS to agree with the applicant documentation.
- **Three VOICE FRNs (MOBILE/T-Mobile, VOIP/Jive, LOCAL & LD/Pacific Bell) were denied because:**
 - MR1:17008117 - CELERITY OCTAVIA CHARTER SCHOOL - IRVING CAMPUS has been removed from the FCC Form 471 application due to the entity is ineligible to receive funding.;MR2:17008116 - CELERITY TROIKA CHARTER SCHOOL - GARVANZA CAMPUS has been removed from the FCC Form 471 application due to the entity is ineligible to receive funding.;MR3:17008114 - CELERITY ACHERNAR CHARTER SCHOOL has been removed from the FCC Form 471 application due to the entity is ineligible to receive funding.;MR4:The applicant failed to supply documentation to support the requested discount. As a result of this action, the discount of this FCC Form 471 was decreased from 90% to 20%, (minimum discount percentage).
 - DR1:The service type of this FRN is Voice Services. According to the FCC Order 14-99, all Voice Services are subject to a phase down of support beginning in Funding Year 2015. Therefore, this FRN's reduced discount rate is 0% and this FRN is denied.;DR2:The FRN is denied because the applicant failed to respond to the Administrator's Information Request. Documentation was not provided to determine if the request for data plans is eligible. Data plans or air cards are ineligible unless applicants can demonstrate either that installing a wireless local area network is not physically possible or that individual data plans are the most cost-effective option. ;MR1:The Recipients of Service for FRN was modified from 15 recipients of service to 12 recipients of service to remove BENs 17008114 - CELERITY ACHERNAR CHARTER SCHOOL, 1708116 - CELERITY TROIKA CHARTER SCHOOL - GARVANZA CAMPUS, and 17008117 - CELERITY OCTAVIA CHARTER SCHOOL - IRVING CAMPUS to agree with the applicant documentation.

Now that CEG has gained access to the EPC account, and Learningtech.org is the designated consultant, we have been able to access the PIA inquiries. Included within this appeal, we have additionally addressed the individual PIA inquiries, summarized by the FCDL Comments for 471 the Application and the FRNs.

These [entities noted as ineligible are annexes](#):

- 17008117 - CELERITY OCTAVIA CHARTER SCHOOL - IRVING CAMPUS
- 17008116 - CELERITY TROIKA CHARTER SCHOOL - GARVANZA CAMPUS.

There are seven (7) schools and one (1) NIF that make up the CEG district, as listed in [ceg_17006823_district_schools.pdf](#). A confusing issue is that [one school, Sirius, closed in 2016](#) and another, Achernar, opened in its place. The Applicant had erroneously thought this transition was a simple entity name change. However, technically, these are 2 separate schools:

- CDS 19-10199-0124925, Charter Number 1353 = Celerity Sirius Charter, closed 6/30/16 - BEN 16058051
- CDS 19-73437-0134338, Charter Number 1827 = Celerity Achernar Charter, opened 8/16/2016 - BEN 17008114.

Currently in EPC, BEN 16058051 has been renamed as Achernar, and is linked to the CEG District. BEN 17008114 is also called Achernar and is not linked to the CEG District. We are trying to fix this so that the new Achernar school (CDS 19-73437-0134338, Charter Number 1827, BEN 17008114) is linked to CEG District, but with SLD being significantly behind on processing EPC entity correction requests, we don't know how long this will take.

Regarding its discount level, the CEG qualifies as a district under SLD guidelines and has 3592 students enrolled with 3206 NSLP eligible, or 89% eligible for Free/Reduced Lunch, as reflected by CDE CALPADs documentation, which justifies the District's 90% discount for Internet access, and 50% for Voice services for FY2016.

In the course of preparing this appeal, we have identified several adjustments that need to be made to the original FRNs. We have provided vendor documentation and explanations above to support UPDATED Funding Commitment Request AMOUNTS ([frn_updated_amounts.xlsx](#)), which are recapped here:

- 1699122167 - Time Warner Cable = \$329,787.18
- 1699118960 - Jive Communications, Inc. = \$32,316.96
- 1699122533 - Pacific Bell Telephone Company (aka AT&T) should be split into:
 - 1699122533 - Pacific Bell Telephone Company (SPIN 143002665) = \$28,680.78
 - NEW FRN - AT&T Corp (SPIN 143001192) = \$2,020.86
- 1699118809 - T-Mobile USA, Inc. = \$17,370.00

Because the VOICE FRNs were denied without completing PIA reviews, there may be outstanding questions that we have yet to address, though we have reviewed the PIA issues available to date and made every effort to provide complete documentation, including updated FRN amounts. In order to facilitate processing, and potentially address the underlying issues that appear to be the cause of funding reduction, we have included documentation in this appeal to justify the funding levels currently requested for the affected FRNs.

CEG and Learningtech.org have made good faith attempts to thoroughly investigate the situation and seek a resolution prior to filing an appeal, but as [demonstrated in this document](#), Learningtech.org was directed to file an appeal by representatives of the SLD. While we realize funding reductions and denials resulted from precise adherence to the program rules, including new EPC restrictions of a single contact, given the circumstances detailed above, we believe that loss of funding for these FRNs are not in accord with the spirit of the program. The affected products/services are critical to the District schools' daily activities, and funding reduction and/or denial represents a significant financial burden.

Due to Mr. Villacinda's actions, CEG has an incomplete internal record of his communications with vendors and CEG only recently gained access the EPC account to which he maintained sole access. We feel that the students, staff, and faculty of the entities impacted by the loss of funding should not be made to suffer the consequences of the issues arising from the policy of restricting one point of contact for the district in EPC, and how this already challenging policy was exacerbated by Mr. Villacinda's negligence.

3. Explain precisely the relief sought through this appeal.

If at all possible, CEG would like to recover from this series of unfortunate events. CEG respectfully requests the reversal of the denials and reinstatement of the 90% discount level for Internet and 50% discount for voice services.

Additionally, we request these adjustments be made to the original FRNs, consistent with the vendor documentation and explanations provided above, such that Funding Commitment Request amounts are:

- 1699122167 - Time Warner Cable = \$329,787.18
- 1699118960 - Jive Communications, Inc. = \$32,316.96
- 1699122533 - Pacific Bell Telephone Company (aka AT&T) should be split into:
 - 1699122533 - Pacific Bell Telephone Company (SPIN 143002665) = \$28,680.78
 - NEW FRN - AT&T Corp (SPIN 143001192) = \$2,020.86
- 1699118809 - T-Mobile USA, Inc. = \$17,370.00

We further request that CEG have the opportunity to remedy any outstanding issues or questions not addressed in this appeal.

This Letter of Appeal is being submitted via Electronic Mail, as specified in the SLD web site instructions, to the address: appeals@sl.universalservice.org.

In preparing this document, Learningtech.org relied upon information provided by USAC/SLD, by the service providers, and by CEG.

Respectfully,



Eileen Miller
VP, E-Rate & Technology Planning
Learningtech.org